

President Barack Obama's prescription for the ailing job market Tuesday didn't sit well with Orange County's congressional lawmakers who want the administration to stop spending and take the long economic view.

"This seems to be more of the same, government subsidies rather than helping businesses have certainty, which is what they need in order to go out and hire people" said Rep. Ken Calvert, who pointed out that he's someone who employed people before being elected to Congress.

Calvert, R-Corona, a former restaurant owner, said a one-year break on the capital gains tax isn't going to do it. "It's speculation, not investment," Calvert said. "What you need is permanence in the tax code so businesses can make long-term strategic decisions."

In an interview with the Register, Jared Bernstein, Vice President Joe Biden's chief economic adviser, said while Calvert makes a good point, the capital gains break needs to be seen in the context of everything else the president announced.

"There's a lot of capital sitting there on the sidelines," Bernstein said. People aren't making investments now because they are "so risk averse."

That skittishness, he said, "creates an imperative for us to temporarily help offset this kind of risk aversion to help stimulate some much-needed investments."

Even the county's sole Democratic lawmaker, Rep. Loretta Sanchez, sounded skeptical about Obama's solution.

The Santa Ana Democrat said she was "all ears" about his desire to increase spending on infrastructure and create more jobs. But, she said, "The last one (stimulus bill) was difficult to get through. A new jobs bill will be more difficult. (Obama) didn't help much the last time."

Sanchez agreed with Calvert that businesses need more permanence when it comes to tax breaks. And, she said, systemic fixes are needed.

Even the Cash for Clunkers car rebates, she said, probably just meant that consumers bought the cars they were going to buy, only earlier. At least that's what Sanchez heard from local car dealers.

Rep. John Campbell would have liked Obama to do something for all homeowners rather than the "cash for caulkers" program he wants for people who makes their homes more energy efficient.

"His incentives in this regard are very narrow and incomplete and just not going to get the job done," said Campbell, R-Irvine.

All five of Orange County's Republican House members pointed to the pending health reform and climate change bills as items they believe will be job killers, not job promoters.

"If the administration really wanted to help out small business, they'd scrap the health care bill now being debated," said Rep. Ed Royce, R-Fullerton.

And, Royce said, the administration has to "quit borrowing money." He said the notion of using the money lent to the banks when they were on the verge of collapse to pay for this new initiative is just what he thought would happen.

That Troubled Asset Relief Program, or TARP, money has "turned into a gravy train to reward political allies," Royce said.

Bernstein said pitting deficit savings against a stimulus program creates a "false choice" and

defended the administration's decision to use some of the TARP money to help bring back the economy.

"The point is, in the short run, the best way to reduce the ratio of debt to GDP is to grow the economy, create jobs, get people off the unemployment rolls and get them back into the private sector," Bernstein said.

Rep. Gary Miller said it's foolish to think the nation can spend its way out of a recession.

"They should cut taxes, do what they can to stimulate the economy," he said. And the government should be spending more time helping the banks work out the toxic loans that are still on their books and keeping people and businesses from maintaining their properties.

"The bottom line," said Rep. Dana Rohrabacher in an e-mail, "is what Obama is proposing will keep the level of deficit spending at an economy-killing high that will pile more debt onto our children and their children's children."